People Select Committee

A meeting of People Select Committee was held on Monday 5th October 2026.

Present: Cllr Marilyn Surtees (Chair), Cllr Paul Weston (Vice-Chair), Cllr John Coulson (sub Cllr Innes), Cllr John Gardner, Cllr Hilary Vickers (sub Cllr Stratton), Cllr Sylvia Walmsley and Cllr Barry Woodhouse

Officers: Steven Sinclair (NEPO), Ged Morton, Angela Miles, Martin Skipsey and Michelle Gunn (Corporate Services)

Also in attendance:

Apologies: Cllr Niall Innes, Cllr David Reynard and Cllr Hugo Stratton

PEO/31/26 Live Streaming

It was announced to those present that the meeting would be live streamed.

PEO/32/26 Evacuation Procedure

The Committee noted the evacuation and housekeeping procedure.

PEO/33/26 Declarations of Interest

There were no declarations of interest.

PEO/34/26 Minutes

AGREED the minutes of the meeting on 7 September be confirmed as a correct record and signed by the Chair.

PEO/35/26 Scrutiny Review of Procurement and Tendering Processes

The Committee received a presentation from the Procurement and Commercial Director of North East Procurement Organisation (NEPO). The presentation highlighted:

- NEPO is a public sector organisation owned, governed, and held accountable by the 12 North East Member Authorities. Other public bodies such as Central Government, Police, Local Authorities from outside the region, housing associations, and charities could also access services from NEPO as Associates.
- The purpose of NEPO was to support public services and make sure public money worked harder by establishing procurement solutions, commercial expertise, suppliers and contracts that Member Authorities were able to access. This thereby aggregated spend for greater outcomes and avoided local authorities repeating the same work independently. Examples included contracts for furniture, construction, school meals, energy, rock salt, and consultancy.

- The Member Authorities understood local needs and services better than a regional organisation could and therefore remained in control of local priorities, budgets, contract ownership, and service outcomes. NEPO was used when collaborative routes supported local need, value for money, and compliance.
- Member Authorities spent £656m via NEPO solutions (£43m from Stockton-on-Tees (SBC)) however received £239k rebate and £632k Return on Investment (ROI).
- £670m was spent by Associates. The use of Associates helped to extend NEPO's reach, giving a bigger market presence and therefore greater economies of scale.
- NEPO had a shared technology platform, Open, which was used by all Member Authorities, whether they were spending via NEPO or locally outside of NEPO. There was also a Supplier Partnership Programme which helped suppliers to understand how to participate in both NEPO solutions and local authorities' local solutions. Suppliers bidding once into NEPO and then being drawn down on by Member Authorities, rather than bidding several times for each individual authority, made the offer more attractive.
- At the time of the meeting there were 484 supplier registrations in the Stockton-on-Tees Borough Council area, 175 Council projects, and 64 call-offs in 2025/26. This was a good indicator of regional engagement and activity, and how suppliers had bid successfully to win work.
- Early planning was seen as key for successful procurement, as it created room for challenging the requirements, ability to understand the market better, and choose the right route to execute the need. Once a specification and timetable had been fixed, much of that opportunity was already gone. The route choice (NEPO or local) should be proportionate, reflecting the requirements and delivery of risk.
- NEPO recognised that they had a role to play in ensuring that the solutions that were in place were as robust as they could be to enable social value to be delivered.
- Contract management was also very important in procurement and SBC was unique in the region with procurement and contract management sitting within the same team. NEPO considered this to be a strength and other authorities would seek advice from SBC on best practice.
- Earlier dialogue with NEPO offered officers the opportunity to compare options before committing to a route, which was particularly relevant for complex or significant requirements. Officers needed to consider whether a joint route would improve what was required locally and help with supplier participation.
- SBC retained clear ownership of its own needs and contracts but shared capability to strengthen its commercial outcome.

Members questioned how the ROI was reported and informed that a performance report was produced, with versions for each Member Authority, which included the ROI. The ROI was the subscription fee for each Member Authority for NEPO compared to the cost that would have been incurred carrying out procurement individually, including the access to technology and supplier partnership programme. A copy of the report would be shared with the Committee.

The Committee also received a presentation from the Assistant Director of Procurement and Governance, outlining the further information requested by the Committee at the September meeting. The presentation noted:

- There were 124 contracts valued at £500,000 and above that were approved by Cabinet either via the annual procurement report or via ad hoc reports. The majority of contracts, 437, were under £100,000.
- The £500k threshold for reporting to Cabinet had been agreed following advice from external legal advisors when refreshing the Council's Constitution in 2018.
- There was a total of 102 exceptions to contract procedure rules in 2025/26 and 2026/27 to date totalling £17.3million. A significant number of these, 51 contracts totalling £12.2million, were due to procurement when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular third party. There were also 31 exceptions due to urgency, totalling £1.8million.
- Examples of contracts awarded via exceptions to procedure rules due to technical or artistic reason included:
    - the purchase of four refuse collection vehicles when they came to the end of their lease term. Officers negotiated a price that included the supplier reworking some of those vehicles to eliminate major fabrication issues over the next five years, and a spare vehicle free of charge while that rework was happening. They also carried out market engagement regarding the cost of new vehicles, associated lease costs, and other costs such as staff training if different vehicles were procured.
    - the appointment of a company to design and install the All Aboard playscape exhibition at Preston Park Museum. The company was recommended to the Service due to their experience and skills in delivering bespoke and specialist playscapes for museums.
    - renewing a contract for the respond case management system. Going out for tender would have been time and cost prohibitive due to the current system being embedded. Therefore, a fixed term contract was negotiated at the same cost of the previous contract.
- Examples of contracts award via exceptions to procedure rules due to urgency included:
    - lobby works at Dunedin, which was carried out as an urgency due to the excessive cold air coming into the lobby. The urgency was to ensure a safe working environment for staff and a welcoming lobby area for visitors.
    - the purchase of four new Peugeot Partner Vans that were coming to the end of their contract hire agreement and no arrangement had been put in place to replace them. In these cases, planning should take place to ensure a competitive process happened in sufficient time and an urgent exception to procedure rules were not needed.
    - Billingham South Primary School ceiling repairs. The schools' ceiling was starting to come down and needed to be repaired during the holiday period when children were not in school. The price that was submitted for the work was scrutinized by the council's quantity surveyors and architects to ensure it was value for money. While schools of a certain age had asbestos management plans in place and were regularly inspected, it was not certain whether this incident could have been picked up earlier.
- There were 91 construction contracts in 2025/26 and 2026/27 to date:
    - 20 contracts were awarded via further competition from a framework agreement, totalling £55million and 19 contracts that were directly awarded from a framework agreement, totalling £14.6million. Frameworks gave assurance that contract terms and conditions of contracts were robust, however competitive framework call-offs were

considered preferable to direct award framework call-offs to help ensure value for money.

- 28 contracts were part of the 124 contracts awarded as an exception to contract procedure rules, however there would have been oversight of price and work by experts.
- 24 contracts that went out for either quote or tender, outside of a framework, ensuring competitive pricing.

The Committee discussed the threshold for reporting to Cabinet. It was noted that if the threshold was reduced to £100k it would not create significantly more contracts being reported to Cabinet for approval.

Members questioned how value for money could be determined in contracts awarded via exception. It was noted officers were expected to conduct work such as business cases to ensure that while the procurement procedures had not been followed, value for money was being delivered and it was justifiable to do so. Many of the 51 contracts awarded via exceptions to contract procedure rules due to technical or artistic reasons were renewals of contracts for IT systems where the cost of change would be enormous and therefore prohibitive.

Members further questioned whether it was possible for officers to seek extensions to contracts when proper planning had not taken place, thereby giving extra time to go out to tender and an exception to procedure rule due to urgency not needed. It was noted that extension would be explored in these circumstances but were not always possible. The Committee discussed strengthen procedures to ensure that contracts nearing their end date were identified sufficiently early to allow procurement procedures to be followed.

It was noted that exceptions had to be documented and signed off by a director. The Procurement Service were working towards managing the process better to create enough time to give Directors another procurement route option when considering exceptions to procedure rules. The value of contracts awarded via exceptions would be monitored.

Framework agreements were discussed and it was noted that under the Procurement Act 2023 a framework could last for up to eight years, however the local authority decided the length of each agreement. The use of further competition frameworks, asking for those on the framework to quote or tender for a contract, ensured that the best price was sought throughout the lifespan of the framework. Some frameworks have a single supplier and pricing schedules that were set under competition during the tender process. Some frameworks allow for direct award without competition and where this was used for construction, the SBCs quantity surveyors and architects scrutinised the price to make sure it was reasonable. NEPO provided proportionate oversight of frameworks e.g. monitoring the number of companies bidding for work within a framework agreement and who was winning those bids.

AGREED the information be noted.

PEO/36/26 Chairs Update and Work Programme 2026 - 2027

Consideration was given to the Committee’s work programme. It was noted that an extra evidence session was required for the Scrutiny Review of Procurement and

Tendering Processes, and the timescales for the review had therefore been extended by one month.

AGREED the work programme be noted and timescales for the Scrutiny Review of Procurement and Tendering Processes amended.

Chair: .....

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